EUR:AIS:MEBlakeJr:cjs
(Drafting Office and Officer)

DECLASSIFIED

DEPARTMENT OF STATE

Memorandum of Conversation

DATE: March 20, 1967

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY ____ DATE 25 MAY 1982
RDS ☐ or XDS ☐ EXT. DATE
TS AUTH. EXEMPTION(S)
ENDORSE EXISTING MARKINGS ☐
DECLASSIFY
RELEASE IN PART
PA or FOI EXEMPTIONS

SUBJECT: US-Italian Civil Air Negotiations

PARTICIPANTS: ITALY
Mr. Giulio Terruzzi, Minister, Italian Embassy
Mr. Ugo Morabito, Commercial Minister, Italian Embassy

US
Anthony M. Solomon, Assistant Secretary, E
Julius Katz, Director, E/OT
John Shaw, Chief, E/STA
Melville E. Blake, Jr., Economic Officer, EUR:AIS

COPIES TO: (SEE LAST PAGE)

After disposing of another matter, which had been the subject of Minister Terruzzi and Minister Morabito's call, Assistant Secretary Solomon referred briefly to the US-Italian civil air negotiations. He remarked that, in any negotiation, it is essential to recognize the limits on the other party's negotiating flexibility. The Italian Government had denounced the current agreement and thereby had put itself in the position of demandeur. Nevertheless, the Italian negotiators had put forward exorbitant route requests which the United States could not possibly grant. Also they seemed unaware of the fundamental importance that the US attaches to Bermuda principles and had taken positions that would require the United States to abandon these principles. This could not be done without doing violence to the bases to US civil air agreements in general, and would bring the strongest objections from the White House, other Government agencies, and the civil air industry. The Italian side must keep in mind the limits on the US negotiating ability, Mr. Solomon concluded, otherwise we run the great risk that we shall be unable to continue civil air services beyond May 31.

Minister Terruzzi commented that he has not followed the negotiations closely, but has the impression the Italians are mainly interested in correcting the imbalance that has existed for a number of years in revenue-earning possibilities. For the Italians the key to a new agreement is an expanded route schedule. After leaving Mr. Solomon's office, Mr. Morabito remarked to Mr. Blake that he judged from the meetings of the Italian delegation that, once a satisfactory exchange of routes had been reached, the Italian Government would be prepared to abandon its insistence on other points which do violence to Bermuda. However, he said

FORM DS-1254 3-61

DECLASSIFIED
MICROFILMED BY SS/S

DECLASSIFIED

the Italian negotiators were concerned over their inability to estimate with any degree of accuracy the revenues to be expected from new routes and might insist on some means of verification of revenues to insure that any future agreement might not also be unbalanced.

With respect to landing rights in the United States, Mr. Morabito remarked that it was evident from meetings of the Italian delegation that the Italian request can be easily reduced to six points. However, he said, the Italian delegation was disappointed that the United States "uncoupled" Boston and New York and will seek restriction of co-terminal landing rights.

COPIES TO: EUR
EUR:AIS
E
E:TT - Mr. Loy
E:TT:AN - Mr. Rodriguez
L/E - Mr. Patman
CAB - Mr. Mineth
CAB - Mr. Watson
CAB - Mr. Scibilia
Amembassy ROME (2)
Amembassy PARIS for Regional Civil Air Attache

DECLASSIFIED